

Message Text

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PAGE 01 ROME 01369 240948Z
ACTION EB-04

INFO OCT-01 SS-04 ISO-00 EUR-03 NSC-04 CEA-01 FRB-03
INR-01 CIAE-00 /021 W
-----116250 241845Z /50
R 240934Z JAN 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 94
TREAS DEPT WASH DC

C O N F I D E N T I A L ROME 1369

LIMDIS GREENBACK

E.O. 11652: GDS
TAGS: EFIN, IT
SUBJ: ONE MORE ESTIMATE FOR THE 1978 BUDGET DEFICIT

1. AT A LUNCHEON ATTENDED BY PAOLO SAVONA, DIRECTOR GENERAL OF CONFINDUSTRIA, GIORGIO LA MALFA, PRI DEPUTY, AND TREASATT, SAVONA CLAIMED THAT A WELL-PLACED OFFICIAL HAD JUST GIVEN GUIDO CARLI--IN STRICTEST CONFIDENCE--WHAT PRUPORED TO HAVE BEEN THE LATEST ESTIMATE FOR THE 1978 ENLARGED PUBLIC SECTOR BUDGET DEFICIT. THE FIGURE QUOTED WAS 40,200 BILLION LIRE, OF WHICH 33,500 BILLION WAS THE DEFICIT PROJECTED ON THE BASIS OF EXISTING LEGISLATION AND 6,700 BILLION LIRE REPRESENTED ADDITIONAL EXPENDITURES REQUIRED TO MEET EMERGENCY NEEDS, SUCH AS THOSE OF PUBLIC AND PRIVATE FIRMS IN FINANCIAL DIFFICULTIES. SAVONA SHOWED LA MALFA A HAND-WRITTEN TABLE PREPARED BY THE WELL-PLACED OFFICIAL BUT, WHEN ASKED BY LA MALFA, REFUSED TO GIVE HIM A COPY ON THE BASIS THAT THIS WOULD BREAK THE CONFIDENTIALITY IN WHICH IT WAS GIVEN TO CARLI.

2. BOTH SAVONA AND LA MALFA SEEMED SURPRISED BY SUCH A LARGE FIGURE, BUT THE FORMER MAINTAINED THAT, GIVEN THE DETAILS OF THE FORECAST, IT WAS APPARENTLY PREPARED
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PAGE 02 ROME 01369 240948Z

BY SOMEONE IN THE KNOW. IF THAT WERE TRUE, BOTH AGREED THAT THE TASK FOR THE NEXT GOVERNMENT OF REDUCING THE DEFICIT TO A "MANAGEABLE" SIZE WOULD BE EXTREMELY DIFFICULT. GARDNER

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUDGETS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
Expiration:
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From: ROME
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780129/aaaaaxzu.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 58e3a1e0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
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